

two digits of the FY in which the change occurred.

- C—Contract workload consolidated with other existing contract workload.
- D—New contractor takes over because original contractor defaults.
- I—Returned in-house because of original contractor defaults; etc., within 6 months of start date and in-house bid is the next lowest.
- N—New contractor replaced original contractor because Government opted not to renew contract in option years.
- R—Returned in-house temporarily pending resolicitation due to contract default, etc.
- U—Contract workload consolidated with other existing contract workload.
- X—Other-Function either returned in-house or eliminated because of base closure, realignment, budget reduction or other change in requirements.

[65] Contract Administration Staffing. The actual number of contract administration personnel hired to administer the contract.

[50 FR 40805, Oct. 7, 1985, as amended at 57 FR 29212, July 1, 1992; 60 FR 67329, Dec. 29, 1995]

PART 172—DISPOSITION OF PROCEEDS FROM DOD SALES OF SURPLUS PERSONAL PROPERTY

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APPENDIX A TO PART 172—EFFORTS AND COSTS ASSOCIATED WITH THE DISPOSAL OF RECYCLABLE MATERIAL

APPENDIX B TO PART 172—DISPOSITION OF AMOUNTS COLLECTED FROM SUCCESSFUL BIDDERS

AUTHORITY: 40 U.S.C. 484 and 485, 10 U.S.C. 2577.

SOURCE: 54 FR 35483, Aug. 28, 1989, unless otherwise noted.

§ 172.1 Purpose.

This document provides revised and expanded instructions on the collection and disposition of cash and cash equivalents received by the DoD Components for the DoD sale of surplus personal property.

§ 172.2 Applicability and scope.

This part:

- (a) Applies to the Office of the Secretary of Defense (OSD), the Military

Departments, the Joint Chiefs of Staff (JCS) and the Joint Staff, the Unified and Specified Commands, the Inspector General of the Department of Defense (IG, DoD), the Defense Agencies, and DoD Field Activities (hereafter referred to collectively as “DoD Components”).

(b) Applies to the proceeds resulting from sales made under authority of Public Law 152 and to the following:

- (1) Personal property governed by DoD 4160.21-M.
- (2) Surplus Government-owned personal property in the possession of contractors, as described in FAR subpart 45.6.

(3) Recyclable material governed by 10 U.S.C. 2577. Such materials would otherwise be sold as scrap or discarded as waste, but are capable of being reused after undergoing some type of physical or chemical processing. The recycling of hazardous materials or hazardous waste shall be accomplished with due recognition of the types of materials being processed and the applicable regulation governing the handling and disposal of such materials. Qualified recyclable materials do not include the following:

(i) Precious metal-bearing scrap and those items that may be used again for their original purposes or functions without any special processing; e.g., used vehicles, vehicle or machine parts, bottles (not scrap glass), electrical components, and unopened containers of oil or solvent.

(ii) Ships, planes, or weapons that must undergo demilitarization or mutilation before sale.

(iii) Scrap generated from DoD industrial fund (IF) operations that has been routinely sold with the proceeds being used to offset customer costs.

(iv) Bones, fats, and meat trimmings generated by a commissary store or exchange.

§ 172.3 Policy.

(a) Cash or cash equivalents in the prescribed amounts shall accompany bid deposits for a bid to be considered responsive. Similarly, cash or cash equivalents for the total sales price

shall be received by the DoD Components or, in authorized cases, by contractors before the transfer of physical possession to the successful bidder.

(b) Amounts collected by the DoD Components in connection with the sale of excess and surplus property shall be deposited promptly to the U.S. Treasury accounts prescribed in accordance with this instruction. The use of suspense accounts shall be minimal. If the account, ultimately to be credited with the proceeds of a sale, can be determined reasonably at the time funds are collected, the deposit shall be made immediately to that account.

(c) The Secretary of each Military Department shall establish qualified recycling programs. The effort associated with the collecting, processing and selling of recyclable material is in appendix A to this part.

(1) Proceeds from the sale of recyclable material shall be used to reimburse installation-level costs incurred in operation of the recyclable program.

(2) After reimbursement of the cost incurred by the installation to operate the recycling program, installation commanders may use up to 50 percent of remaining sale proceeds for pollution abatement, energy conservation, and occupational safety and health activities. A project may not be carried out for an amount greater than 50 percent of the amount established by law as the maximum amount for a minor construction project.

(3) Any sale proceeds remaining after paragraphs (c)(1) and (2) of this section may be transferred to installation morale or welfare activities.

§ 172.4 Responsibilities.

The *Heads of DoD Components* that sell surplus personal property shall implement the procedures prescribed in this part for the disposition of cash and cash equivalents received in connection with such sales.

§ 172.5 Procedures.

(a) *Required bid deposits.* When a sale conducted by a DoD Component provides for bid deposit with subsequent removal, the following procedures shall apply:

(1) *Term bid.* This type of bid deposit is applicable when the sale involves the

purchase of scrap or disposable material that will be generated over time with periodic removal by the successful bidder. The amount of the bid deposit required to accompany such bids is the average estimated quantity of such material to be generated during a 3 month period multiplied by 20 percent of the bid price. The calculation is illustrated, as follows:

Estimated quantity of material to be generated each quarter (pounds).	3,000
Bid price—\$1.00 per pound	× \$1.00
Subtotal	\$3,000
20 percent of bid price	20
Amount to accompany bid	\$600

(2) *Other than term bid.* With the exception of term bids, payment in the amount of 20 percent of the bid shall accompany the bid.

(b) *Payment terms.* When a sale conducted by a DoD Component provides for immediate pickup, the entire amount of the sales price shall be collected from the buyer at the conclusion of the sale. If the sale provides for a bid deposit, the balance of the bid price shall be paid before removal of the property.

(c) *Form of payment—(1) Cash and certified checks.* When a sale is conducted by a DoD Component, cash or its equivalent shall be collected for bid deposits and for remaining amounts due. Guaranteed negotiable instruments, such as cashiers checks, certified checks, travelers checks, bank drafts, or postal money orders are acceptable as a cash equivalent.

(2) *Personal checks.* Personal checks may be accepted by a DoD Component only when a performance bond or a bank letter of credit is on hand that will cover the amount due. If the check is dishonored, amounts due shall be collected from the issuer of the performance bond or letter of credit.

(i) If a bidder intends to use a bond or letter of credit without an accompanying personal check, the claim against the performance bond or letter of credit shall be made for any amounts due.

(ii) If personal checks are used, the bond or letter of credit shall be returned intact after the applicable personal checks are honored, unless other